

Items highlighted in Yellow are action items.

Beverage Container Recycling Program Reform – Workshop 3 Comments – September 24 &25	
III. Improve Cash Flow / Reduce Payables	
A. Topic: Establish criteria for distribution of unspent Fund balance/Reduce 14581 payments	
II.A: 2.0) 2. Prioritize 14581 payments based upon program performance goals	
II.A: 2.1)	Processing fee offsets do not support program goals and should be a low priority.
II.A: 2.2)	The prioritization of 14581 payments should be by percentage of CRV containers recycled by program type. (e.g. CZ recyclers 3x the volume of CS)
II.A: 2.3)	The core of the program is consumer redemption at recycling centers (RC) and recycling thru end users. This has achieved 80% recycling. This also has a side benefit of producing a higher quality material. The goal is recycling not diversion.
II.A: 2.4)	Processing fee offsets are not necessary if you eliminate processing payments. The scrap market is healthy so subsidy is not necessary.
II.A: 2.5)	Processing payment and handling fee payments are necessary to support consumer redemption
II.A: 2.6)	Curbside supplemental, Quality Incentive Payments (QIP) and grants are lower priority than processing payments & handling fees because they do not directly support consumer redemption which is the core of the program.
II.A: 2.7)	There is an inherent conflict between achieving higher recycling rates and dealing with the structural imbalance.
II.A: 2.8)	Higher recycling rate of glass is partially due to processing payments. Processing payments encourage processors and recyclers to purchase and process glass. Glass is not profitable for PR/RC to handle and would discourage recovering the material without the processing payment. This also increases the quality of the commodity.
II.A: 2.9)	QIP is a high priority because it creates capital investment resulting in a higher quality material recovered. QIP works with processing payments and should be considered in tandem.
II.A: 2.10)	Curbside supplemental payments benefit the consumer by providing convenient recycling opportunities and potentially lower fees charged for curbside service.
II.A: 2.11)	Processing payments should be paid for by beverage manufacturers 100% not offset by using CRV money. Go back to the original intent of the statute which did not provide for a processing fee offset.

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II.A: 2.12) The cost of recycling glass will not be covered if proportional reductions are implemented as they are currently defined.
II.A: 2.13) #18, outside of California the standard business practices is that the cost of redemption through end use is covered by beverage manufacturers.
II.A: 2.14) This is response to #18. The cost of redemption through end use is covered by the consumer deposit. In a traditional bottle bill, redemption is an accounting mechanism between the dealer and beverage manufacturer. The unredeemed component is what drives the system similar to Beverage Container Recycling Act.
II.A: 2.15) Curbside Programs (CS) are funded by the CBCRF for approx. \$100 million Processing Payments, Curbside Supplemental, California Refund Value and QIPs with an approx. 7.5 cents per container. Making payments to CSs is unique to the CA beverage container recycling program.
II.A: 2.16) There is no analysis of curbside cost for recovering CRV materials. This analysis is being requested.
II.A: 2.17) \$15 million curbside supplemental payment is an arbitrary value
II.A: 2.18) Curbsides have funding sources in addition to the CBCRF and therefore they have lower exposure of reduced profitability due to changes in the fund.
II.A: 2.20) Plastic Market Development Payment (PMDP); what is the basis for the \$150 per ton paid to manufacturer and processor?
II.A: 2.21) PMDP; Is the program reaching its goal of keeping CRV materials in CA?
II.A: 2.22) QIPs; payment is made on glass originating in single stream which produces a lower quality commodity. This is after the material has already been paid for with CRV. What is the cost per container/per ton (cost survey methodology). This analysis is being requested.
II.A: 2.23) PMDP objectives; can they be met by a recycled content mandate for food and beverage containers?
II.A: 2.24) The \$100 million of fund payments made on CRV material collected by CS programs is to primarily cover the cost of preparing, cleaning, and transporting material to market. Consumers are paying for the cost of collection through their utility bills for CS service. Consumers by choice are funding MRF activity by choosing curbside recycling in place of redemption centers.
II.A: 2.25) HF's should be the highest priority because they are directly linked to consumer redemption at RCs and are directly related to the stated goals and objectives of the Act.
II.A: 2.26) Prioritization should be based on volume of material redeemed.
II.A: 2.27) Need a net cost per container per 14581 line items to determine the net contribution to recycling rates. This would be for evaluating effectiveness.
II.A: 4.0) 4. Reduce all or select 14581 payments

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II.A: 4.1) The Local Conservation Corps (LCC) are a core component and collect the most difficult materials to recover.
II.A: 4.2) LCC serve underserved communities.
II.A: 4.3) LCC provide model to expand the program.
II.A: 4.4) Prioritize 14581 payments by service to underserved community, material that does not lend itself to be redeemed or recycled, and co-collection of materials working towards zero waste.
II.A: 4.5) Evaluation of the program covers all material that could be covered by the program.
II.A: 4.6) What constitutes an underserved community; what are the metrics for underserved community?
II.A: 4.7) What is the percentage of material collected by LCC as a portion of all material collected? Do we have a cost per unit for recovery of materials by the LCC?
II.A: 4.8) LCC should be a high priority in 14581 payments.
II.A: 7.0) 7. Eliminate all or select 14581 payments
II.A: 7.1) LCC are not directly addressing the goals as stated in the Act. Although, their funding is a worthwhile cause it should be provided by the Legislature and not the CBCRF.
II.A: 7.2) Eliminating 14581 payments would reduce the recycling rate.
II.A: 7.3) Elimination of 14581 payments could have an adverse effect on 2500 union jobs in CA Processing payments are a high priority for maintaining a healthy glass market in CA.
II.A: 7.4) PMDP has been effective in developing infrastructure in CA to process CRV commodities. This may not need to be permanent funding; the infrastructure could have more capacity to process more material than is available within the state; what are the criteria for phasing out PMDP?
II.A: 7.5) PMDP has funding until 2017.
II.A: 7.6) Line items subject to proportional reduction are not common to other consumer redemption programs in the US. Maine has achieved more than 90% recycling without the noncore line items.
II.A: 7.7) Other programs use unredeemed deposits to support many facets of recycling.
II.A: 1.0) 1. Percentage of available Surplus Funds Appropriated via Annual Budget Process
II.A: 1.1) Creates too much uncertainty for program operators.
II.A: 1.2) Moving this to a fiscal year negotiation conflicts with the seasonality of the industry.
II.A: 1.3) It politicizes the decision about dispensing surplus funds to an even greater extent.
II.A: 3.0) 3. Performance based funding using volumes of beverage containers collected/recycled
II.A: 3.1) This concept has merit and could be a constructive policy. Criteria could be based upon volume, cost, and/or any ratio thereof.

II.A: 3.2) Funding based on volumes pays people extra money for already being successful in the collection of material. The indication is that if already successful why is extra money needed. Surplus funds should be directed towards program goals that are currently less successful. Efficient and effective programs that are addressing more costly recycling are the middle ground this statement is addressing.
II.A: 3.3) Quality of the commodities collected needs to be criteria in evaluating performance.
II.A: 3.4) Drive for efficiency should not undermine effective programs already in place.
II.A: 3.5) Performance based prioritization is fair and equitable method for handling budgets in difficult times.
II.A: 3.6) Performance based prioritization does not address unprofitable sectors of material collection. LCC are reaching the hardest to reach material with higher labor cost. Performance measures cannot account for intangibles that support program goals, such as education of public on diversion. This must be considered in any evaluation for funding.
II.A: 5.0) 5. Make surplus CRV to the local jurisdictions based upon per capita or other demographics, or volumes redeemed to be used for recycling related purposes
II.A: 5.1) All CBCRF should be expended to support the stated goals in statute.
II.A: 5.2) Local jurisdictions are better equipped to define how the money is spent to meet local recycling needs than the state.
II.A: 5.3) This would increase bureaucracy, be inefficient, and results in lack of accountability. Is the money being spent to recover material?
II.A: 6.0) 6. Pay surplus CRV back to the consumers via a bonus payment/program/CRV reduction, etc.
II.A: 6.1) Monies should be focused on program participants that provide redemption to the consumer.
II.A: 6.2) History of the program; had a bonus payment in its earlier days that was paid to the public and was highly effective.
II.A: 6.3) How would you be sure that the bonus was paid to the consumers that paid the CRV at the dealer? People already benefit from redeeming CRV, and they also benefit from other programs.
II.A: 6.4) Program has achieved 80% recycling no need to incentivize more recycling.
II.A: 8.0) 8. Establish authority for redemption fees paid into the program can only be paid out as CRV
II.A: 8.1) No comments.
II.A: 9.0) 9. Eliminate HF paid to certified RCs
II.A: 9.1) HF's should not be subject to proportional reduction.
NEW IDEAS
FGW3.New: 1.0) 1. Pay 5 cents CRV consumer redeems 4 cents offset is used to cover program operations et al.

FGW3.New: 1.1) Pay differential is triggered by recycling rate at 80% or more.
FGW3.New: 1.2) This will be moved to another meeting that this topic will be covered.
FGW3.New: 2.0) 2. Keep it as it is now.
FGW3.New: 2.1) This is an elegant solution devised by the legislature. It distributes the sacrifice to all evenly with no winners and no losers. All 14581 stakeholders have contributed to the success of the program
FGW3.New: 2.2) If reforms are brought forward on how the distribution of surplus funds are to be handled, all stakeholders should be provided with a monetized analysis of surplus funds.
FGW3.New: 2.3) Preference is for increased revenue as opposed to changing the current proportional reduction formula.
FGW3.New: 2.4) RC redemption is primary. Not all 14581 stakeholders contribute equally to the volume of material collected. The proportional reduction is unreasonable.
FGW3.New: 2.5) Not all 14581 stakeholders contribute equally to the volume of material collected and processed. There are stakeholders that have zero effect on the recycling rate.
FGW3.New: 3.0) 3. New proportional reduction formula.
FGW3.New: 3.1) For each 1% over the 80% recycling rate goes there would be a 5% proportional reduction for all 14581 stakeholders.